

Notice to Occupant of Pending Acquisition

[To be prepared and sent via certified mail or with a signature confirmation service by the Mortgagee to all property occupants]

NOTICE TO OCCUPANT OF PENDING ACQUISITION

(Name) (Date)

(Street Address)

(Town or City)

(HUD/FHA Case No.)

AVISO IMPORTANTE PARA PERSONAS DE HABLA HISPANA.

ESTO ES UN AVISO MUY IMPORTANTE. SI NO ENTIENDE EL CONTENIDO, OBTenga UNA TRADUCCIÓN INMEDIATAMENTE. SI USTED NO RESPONDE DENTRO DE VEINTE (20) DÍAS, PUEDE QUE TENGA QUE MUDARSE DE LA CASA O APARTAMENTO EN QUE VIVE.

Dear _____:

The mortgage for the property in which you are living is in foreclosure as a result of the property owner's default. Within the next 60 to 90 days, title to the property is expected to be transferred to [NAME OF MORTGAGEE]. Sometime thereafter, ownership of the property will probably be transferred to the Secretary of Housing and Urban Development (HUD).

HUD generally requires that there be no one living in properties conveyed to the Secretary as a result of a foreclosure. As the Federal Housing Administration's (FHA) Single Family Program is a mortgage insurance program, it must sell all acquired properties and use the proceeds of sale to help replenish the FHA Mortgage Insurance Fund. It is not a rental program. There are other programs within HUD that assist in making rental housing available.

However, before [NAME OF MORTGAGEE] conveys the property to HUD, you may be entitled to remain in the property for some period of time, pursuant to federal, state, or local law. If applicable, a separate notice regarding occupancy rights will be provided to you when complete title to the property is transferred to [NAME OF MORTGAGEE] as a result of an order of a court or pursuant to provisions in the mortgage, deed of trust or security deed.

[Instructions: Mortgagees must insert here any language they deem necessary to inform occupants of the conditions under which they might be eligible to remain in the property pursuant to the federal, state, or local law, and/or for the mortgagee to request information from the occupant that would be needed for the mortgagee to determine whether the occupant qualifies.]

If you are not entitled to remain in the property under federal, state, or local law, you may nevertheless be eligible to remain in the property upon conveyance to HUD, if certain conditions are met, as described in Attachment 3, Conditions for Continued Occupancy. To be considered

for continued occupancy upon conveyance to HUD, you must submit a written request to HUD **within 20 days of the date at the top of this letter. Oral requests will not be accepted.**

Please use the enclosed Attachment 1, form [HUD-9539](#), *Request for Occupied Conveyance*, in making your request, as it gives HUD information it needs to make its decision. You must send your request and the enclosed Attachment 2, Request for Verification of Employment, to HUD's Mortgagee Compliance Manager (MCM) at the following address: [MCM's ADDRESS]. As the occupant requesting the occupied conveyance, you have sole responsibility for submission of a signed Request for Verification of Employment form (Attachment 2) to HUD's MCM.

If an individual residing in the property suffers from a permanent, temporary, or long-term illness or injury that would be aggravated by the process of moving from the property, please also provide supporting documentation of the illness or injury. This documentation must include a projection of the date that the individual could be moved without aggravating the illness or injury and a statement by a state-certified physician establishing the validity of your claim.

Please ensure that you include all required documentation with your request; **incomplete requests will be denied.** Additional information that you wish to include with your request may be written on additional pages that you attach to the *Request for Occupied Conveyance* form.

If HUD approves your request to remain in the property, you will be required to sign a month-to-month lease and pay rent at the prevailing fair market rate. If HUD does not become owner of this property, any decision it may make with respect to your continued occupancy will no longer apply.

Your right to continued occupancy of the property under HUD's Occupied Conveyance policies will only be temporary, depending on the circumstances, as described in Attachment 4, Temporary Nature of Continued Occupancy.

For assistance in finding affordable housing, you may wish to contact one or more of HUD's approved housing counseling agencies. These agencies usually provide services at little or no cost. A counselor may be able to recommend other organizations that can also be of assistance. If you have access to the Internet, you may locate a local housing counseling agency by visiting the following webpage: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>. Alternatively, you may call the HUD Housing Counseling and Referral Line, weekdays between 9:00 am and 5:00 pm EST. The Referral Line telephone number is (800) 569-4287.

If you have any questions concerning this notice, please contact [NAME AND CONTACT INFORMATION OF MORTGAGEE].

Sincerely,

Signature
Title

Attachments:
Attachment 1 (form HUD-9539, *Request for Occupied Conveyance*)

Attachment 2 (Request for Verification of Employment)

NOTE: Mortgagees may use their own standard employment verification forms.

Attachment 3 (Conditions for Continued Occupancy)

Attachment 4 (Temporary Nature of Continued Occupancy)

Attachment 3 (Conditions for Continued Occupancy)

[to Mortgagee's Notice to Occupant of Pending Acquisition]

HUD's Occupied Conveyance Procedures

CONDITIONS FOR CONTINUED OCCUPANCY

Unless eviction is prohibited by state or local law, or by circumstances beyond the control of your lender, the following conditions must be met before HUD can approve the occupied conveyance of an acquired property. HUD will determine whether these conditions have been met at HUD's sole and absolute discretion, pursuant to authority provided in FHA occupied conveyance regulations at 24 CFR §§ 203.670-681 and additional guidance provided by the Department:

1. You agree to sign a month-to-month lease at fair market rent at the time HUD acquires the property and on a form prescribed by HUD (note: if you qualify for continued occupation based on Item 6.b. below, you will need to pay one month's rent in advance at the time the lease is executed);
2. Your total housing cost (rent plus utility costs) will not exceed 38 percent of your net income. However, a higher percentage may be permitted if you have been paying at least the required rental amount or there are other compensating factors, such as savings or family assistance;
3. You agree to allow access to the property, during normal business hours and with two days advance notice, by HUD staff or HUD representatives (including real estate brokers) so that the property can be inspected, repaired, or shown to prospective purchasers;
4. You disclose the complete and accurate Social Security Number assigned to you and to each member of your household; and
5. You submit your request and supporting documentation within 20 days as provided in the attached Notice to Occupant of Pending Acquisition; and
6. **At least one of the following two sets of conditions has been met:**
 - a. An individual residing in the property suffers from a permanent, temporary, or long-term illness or injury that would be aggravated by the process of moving from the property, **or**
 - b. HUD determines that it is in HUD's interest to accept your continued occupation based on criteria described in 24 CFR § 203.671, provided that the property is habitable and that at the time your lender acquires title to the property, you will have lived in the property for at least 90 days.

Attachment 4 (Temporary Nature of Continued Occupancy)
[to Mortgagee's Notice to Occupant of Pending Acquisition]

HUD's Occupied Conveyance Procedures
TEMPORARY NATURE OF CONTINUED OCCUPANCY

This is to advise you that occupancy of HUD-owned property is temporary in all cases and is subject to termination to facilitate preparing the property for sale and completing the sale. Temporary means that your lease arrangement with HUD is subject to termination at the convenience of the government upon 30 days' notice, or otherwise in accordance with applicable law. You should not view your occupancy of the property as a permanent or long-term arrangement. It is HUD's policy to ask you to vacate the property and, if necessary, take appropriate eviction action for the following causes:

1. Your failure to execute the lease;
2. Your failure to pay the required rent, including the initial payment at the time of execution of the lease;
3. Your failure to comply with the terms of the lease;
4. Your failure to allow access to the property upon request to accomplish necessary repairs, inspect the property, or allow real estate brokers to show the property to prospective purchasers;
5. Necessity to facilitate preparation of the property for sale and for completion of the sale;
or
6. Assignment of the property by HUD to a different use or program.